

# **Liberty Development and Production Plan**

*Public Hearings*

**Kaktovik**

**2001**

1 UNITED STATES DEPARTMENT OF THE INTERIOR  
2 MINERALS MANAGEMENT SERVICE  
3 ALASKA OCS REGION  
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6 OFFICIAL TRANSCRIPT - PUBLIC HEARING  
7 DRAFT ENVIRONMENTAL IMPACT STATEMENT  
8 FOR LIBERTY DEVELOPMENT AND PRODUCTION PLAN  
9 OCS EIS/EA MMS 2001-001  
10

11 Kaktovik, Alaska  
12 Tuesday, March 20, 2001  
13 7:25 o'clock p.m.  
14

15 MINERALS MANAGEMENT SERVICE PANEL MEMBERS

16 Mr. Paul Stang, Regional Supervisor for Leasing  
17 and Environment

18 Mr. Fred King, Project Manager

19 Mr. Albert Barros, Community Liaison

20 Mr. Richard Carl, Recorder  
21

22  
23 Translator services provided by Ida E. Angasan, Kaktovik,  
24 Alaska.

25 Proceedings recorded by electronic sound recording. Transcript  
produced by transcription service.

1                   KAKTOVIK, ALASKA - TUESDAY, MARCH 20, 2001

2  
3                   (Tape No. 1 of 2)

4                   (On record at 7:25 p.m.)

5                   HEARING OFFICER: I'd like to call the meeting to  
6 order, and first, I would like Issac, if you would, please,  
7 lead us with an invocation. Thank you.

8                   (Prayer)

9                   MR. AKOOTCHOOK: Amen.

10                  GROUP COLLECTIVELY: Amen.

11                  HEARING OFFICER: Thank you, Issac.

12                  (Pause)

13                  HEARING OFFICER: Fine, and then we'll go short piece  
14 and then translate, short piece, and translate. Okay?

15                  TRANSLATOR: Okay.

16                  HEARING OFFICER: Okay. Well, first, do we need to  
17 translate, from what you can tell at the moment?

18                  (Translation by Translator)

19                  TRANSLATOR: Do you guys need a Translator?

20                  (No audible response)

21                  TRANSLATOR: Yes? No? Translator? Translator?

22                  (Indiscernible comment, laughter)

23                  HEARING OFFICER: All right. So we're all right at  
24 the moment.

25                  TRANSLATOR: Yes.

1 HEARING OFFICER: Okay.

2 TRANSLATOR: We are fine. Can I just.....

3 HEARING OFFICER: Okay. We'll proceed, and then if  
4 you feel that someone comes in where we need.....

5 TRANSLATOR: Okay.

6 HEARING OFFICER: .....a translation, you'll.....

7 TRANSLATOR: I certainly will.

8 HEARING OFFICER: .....alert me. Good. Okay.

9 TRANSLATOR: If they need it.

10 HEARING OFFICER: Good.

11 TRANSLATOR: Only if they need it.

12 HEARING OFFICER: Okay.

13 (Translation by Translator)

14 HEARING OFFICER: My name is Paul Stang. I'm with  
15 the Minerals Management Service. We're here to have a public  
16 hearing, public meeting on the Draft Environmental Impact  
17 Statement for the Liberty Project.

18 Instead of having this as a meeting where all we do  
19 is receive testimony, I would like us to have it more open and  
20 more interactive, if that's what you would like. So if you  
21 have questions of any of us, please feel free to ask. If you  
22 want to enter into a dialogue, please feel free to do so. If  
23 you prefer just to give your testimony, that's fine too. So  
24 however you would like to proceed is okay with us. We're here  
25 from 7:00 until 10:00, but if need be, we could go later.

1 I'd like to introduce some of those who are here at  
2 the meeting. On my left is Fred King, who is the Project  
3 Director for the Draft Environmental Impact Statement. And on  
4 my right is Mike Holley, who's with the Corps of Engineers, and  
5 Ted Rockwell, who's with EPA, and Tom Lohman, who's with the  
6 North Slope Borough. EPA and the Corps of Engineers and MMS  
7 are the three principal agencies involved in the development of  
8 this EIS, although we've had participation with a variety of  
9 other agencies, including the North Slope Borough.

10 On my left is Richard, who's going to transcribe this  
11 meeting. And Ida will do any translation that needs to be  
12 done, if somebody comes in who needs translation. In the back,  
13 Albert Barros is our Community Liaison person from MMS, and we  
14 also have with us three people from BP here who also can be  
15 asked questions, and if you have technical issues about the  
16 project. Luke Franklin. If you could stand up for a moment,  
17 Luke, please. And Dennis Koehler and Cash Fay.

18 Anyway, so we're pleased to be here. We have asked  
19 you all to sign in, and if you haven't, I wish you would. And  
20 we ask those who want to testify to circle their name. But  
21 whatever order is fine with me. So is there -- also, if you'd  
22 like, if it's important, we can give you a brief capsule about  
23 a description of the Liberty Project. The map was on the  
24 table. Feel free to go back and look at it.

25 Do you all feel you have a pretty good idea what the

1 Liberty Project is? I know we've been up here for scoping  
2 meetings and we've talked about this before, and I think BP's  
3 been here talking about the project. Do you feel you need  
4 that, or should we just go right into testimony?

5 MALE SPEAKER: A very brief one would be nice?

6 HEARING OFFICER: A brief? Okay. So I'm going to  
7 ask Fred King, our Project Leader here, to give a quick  
8 overview, about a three-minute overview, of the Liberty  
9 Project.

10 MR. KING: The Liberty Project is totally owned by  
11 BP. It's in the Foggy Island Bay. It's about five miles  
12 offshore. It's about six miles east of the Endicott satellite  
13 drilling island. The project is in 22 feet of water.

14 It's proposed to be developed from a gravel island  
15 similar to that at Northstar. They're proposing to have a  
16 buried pipeline running from the gravel island to the shore.  
17 That pipeline would be about six miles in length. Then there  
18 would be about one mile of onshore pipeline going over and  
19 hooking into the existing Badami pipeline. They are proposing  
20 to get the gravel for the gravel island and any pipeline needs  
21 from the Kadleroshilik River.

22 The EIS looks at several different alternatives,  
23 including different pipeline designs, different island  
24 locations and pipeline routes, and different gravel sources, as  
25 well as an alternative looking at burying the pipeline deeper.

1       There's also one alternative in there, the -- this project is  
2 different from BP's Northstar in one aspect, in that BP is  
3 proposing to build the island using gravel bags on the upper  
4 part of the island versus steel sheetpile. There's an  
5 alternative in the EIS that looks at using sheetpile like they  
6 did at Northstar.

7               MR. AKOOTCHOOK: I got a question already. This is a  
8 project that's right in the lagoon?

9               MR. KING: Yeah, I'd say it's.....

10              MR. AKOOTCHOOK: You said it's about five miles from  
11 Foggy Island.

12              MR. KING: Yeah, it's about halfway between the shore  
13 and the barrier island.

14              MR. AKOOTCHOOK: Okay.

15              MR. KING: And it's about 10 miles from Cross Island.

16              HEARING OFFICER: Good. Is that a good capsule, do  
17 you think, to start?

18              (No audible response)

19              HEARING OFFICER: All right. At any point, if you  
20 need more detail, we can do that.

21              MALE SPEAKER: How about reserve size, when you would  
22 expect it coming into production, and how long it would be in  
23 production?

24              HEARING OFFICER: Why don't we give that to BP?

25              MR. FRANKLIN: Well, right now on the schedule,

1 (indiscernible) production start up in (indiscernible).

2 Reserve size is.....

3 MALE SPEAKER: Reserve is 120 million barrels, is  
4 what's (indiscernible).

5 MALE SPEAKER: How long do you expect it to be in  
6 operation?

7 MR. FRANKLIN: It would be a 15-year operation, so it  
8 would be expected to be about 15 years, life of the field.

9 MR. KING: I -- just for your information, I think if  
10 the project were to go forward, the Final EIS would be out  
11 about a year from now. The earliest there would be any  
12 construction would be probably 2004, about this time 2004.  
13 They're proposing to build the gravel island one year, and then  
14 they construct the pipeline the following year, and it would be  
15 after that that the -- before any production would actually  
16 come onshore, if it were approved.

17 MR. LOHMAN: Can I ask you for just a second to  
18 explain that we're dealing with a document and what the  
19 document consists of and.....

20 HEARING OFFICER: Sure.

21 MR. LOHMAN: .....where they might find copies of the  
22 document and when the deadline is and.....

23 HEARING OFFICER: Good.

24 MR. LOHMAN: .....all that good stuff?

25 HEARING OFFICER: Why don't you go ahead?

1 MR. KING: I think the document's available here at  
2 your library. I know the Mayor has some copies. We brought --  
3 it's also available online if you go to the -- this probably  
4 won't do you much good because of the cost, but it is available  
5 online at the MMS web site, which is mms.gov. It's also  
6 available on a CD-ROM for anybody who has one. If you're  
7 interested, you can get a hold of me and I can get you one, or  
8 we can mail you a document.

9 We actually have three sizes. We have it on a CD-  
10 ROM. We have a three-volume set that's about this thick. And  
11 we also have about a -- I think it's about a 75-page Executive  
12 Summary that's a stand-alone document.

13 MS. ANGASAN: There's also one in the library.

14 MR. KING: Okay. And there is one in the library.

15 HEARING OFFICER: And the comment due date?

16 MR. KING: Is April 13th. It was originally due in  
17 March, and then the North Slope Borough requested additional  
18 time, and so we extended it to April 13th.

19 HEARING OFFICER: The alternatives include island  
20 location, pipeline route, pipeline depth, pipeline design, mine  
21 site location, and island slope protection. Yes.

22 MS. TRAYNOR: Why is there an alternative on island  
23 location?

24 HEARING OFFICER: All right. The -- I'll tell you  
25 what.

1 MR. KING: Let me.....

2 HEARING OFFICER: Are we -- Richard, are we picking  
3 up that?

4 RECORDER: Yes.

5 HEARING OFFICER: Okay. Good. If you have any  
6 question about it, let me know. All right.

7 MR. KING: In looking at the EIS, one of the  
8 alternatives that -- or what we tried to do is if there was  
9 something we could do which would make it show an environmental  
10 difference, make it maybe environmentally preferable. One of  
11 the locations out there, I guess it was more than 10 years ago,  
12 there was at Tern Island, they built a exploration island, so  
13 there is some gravel and stuff already there. So one reason we  
14 look at that location would be, you know, is it beneficial to  
15 have less mining, et cetera, and use that location and have  
16 more directional drilling.

17 Another alternative that was suggested during scoping  
18 was, Can we move the island closer to shore? Can we get it,  
19 you know, further away from the migration route, et cetera?  
20 And the southern island location we're looking at is what we  
21 felt like how far we could move it and still have the project  
22 economical. So it was kind of, What could we do if we moved it  
23 further toward shore, had a shorter pipeline, what would be the  
24 benefits? So that's why they're in there.

25 HEARING OFFICER: Right. The basis for most of the

1 alternatives came from the scoping meetings we held in Barrow,  
2 Nuiqsut, and Kaktovik about two years ago. And we derived most  
3 of the -- the great majority of the alternatives from what we  
4 heard at those meetings. I think Tern Island was one that --  
5 maybe the only one that was added independently of what we  
6 heard at those meetings.

7 Okay. Who would like to present the first bit of  
8 testimony? And we have a microphone over there, if you  
9 wouldn't mind sitting up there. Whoever would like to, we'd  
10 love to have you.

11 MR. AHLERS: I have another question.

12 HEARING OFFICER: Sure.

13 MR. AHLERS: Have you had anybody that resides on the  
14 North Slope in favor of any offshore drilling to testify?

15 HEARING OFFICER: Yes.

16 MR. AHLERS: Anybody from Kaktovik?

17 HEARING OFFICER: This is the first time that we've  
18 had a public hearing on this meeting. Up until now, the  
19 meetings in -- well, the two meetings we had in Kaktovik were  
20 what we call scoping meetings, which really are a solicitation  
21 of information, thoughts, ideas, and what have you.

22 MR. AHLERS: Generally speaking, people on the North  
23 Slope are against offshore, or in-water, development, and that  
24 probably has been the gist of all of your meetings to this  
25 date?

1 HEARING OFFICER: I would say a number of people on  
2 the North Slope do oppose offshore development, but also a  
3 number are concerned that if it takes place, that it takes  
4 place in an environmentally sound and safe manner.

5 MR. AHLERS: Is there any improvement of the  
6 technology to clean up oil that's spilled in ice or water  
7 conditions?

8 HEARING OFFICER: I think there are a variety of  
9 techniques. In the case of spills that occur when we have ice,  
10 the majority of the year, those techniques are fairly well  
11 defined. That is, if oil would spill as ice is forming or  
12 during the long winter, under the ice it would tend to become  
13 encapsulated because more ice would form underneath of it. And  
14 it could be mined, so to speak.

15 MR. AHLERS: Is there a technology available or.....

16 HEARING OFFICER: Yes.

17 MR. AHLERS: .....anything available at this time?

18 HEARING OFFICER: Yes. For that.

19 MR. AHLERS: To do that?

20 HEARING OFFICER: And similarly, if it's spilled on  
21 top of the ice, it could be cleaned up. Those are fairly  
22 straightforward. The open-water issue is similar to that  
23 that's faced in other parts of the nation and other parts of  
24 the world, so there are techniques for that. The colder  
25 temperatures, of course, are significant, and it's therefore

1 treated somewhat differently as it would be in warmer  
2 temperatures.

3 The one issue that's a more difficult issue is  
4 cleanup in broken ice, and that's the one that seems to be  
5 getting the most attention. And it's important that BP submit  
6 to us an acceptable plan, or what we call C plan, or  
7 contingency plan, for cleanup where the -- a lot of the  
8 concentration will be on the ability to clean up oil in broken  
9 ice. That plan we would expect in, I think, August. Is that  
10 correct? Is that what you're.....

11 MR. FRANKLIN: Latter part of July is when the one  
12 goes back in on Northstar.

13 HEARING OFFICER: Latter part of July for Northstar,  
14 and that one will be a model, so to speak, or similar for what  
15 we would expect for Liberty. Is that correct?

16 (No audible response)

17 MS. ANGASAN: Paul, if there was any spills, what  
18 kind of equipment and materials do you have right there at the  
19 place where you're going to be.....

20 HEARING OFFICER: I'm going to let BP answer that  
21 because it's basically the company responsibility to make sure  
22 that cleanup occurs.

23 MR. FRANKLIN: Well, let me sort of tell you  
24 what.....

25 MR. LOHMAN: Luke, everybody who talks needs to

1 identify themselves for.....

2 HEARING OFFICER: Good. Good point.

3 MR. LOHMAN: .....our court reporter.

4 MR. FRANKLIN: I'll start that, then, Tom. Thank  
5 you.

6 MR. LOHMAN: Thank you.

7 MR. FRANKLIN: Luke Franklin. What -- let me sort of  
8 address the way Northstar was put together. Northstar has  
9 spill response equipment on the island, as well as support  
10 equipment from Alaska Clean Seas, which is the cooperative, you  
11 know, that the oil industry as a whole utilizes for spill  
12 response. And that same kind of, you know, response  
13 capabilities would be moved to Liberty as well. So Alaska  
14 Clean Seas would continue to be the spill response, you know,  
15 primary company, and there would be spill response equipment  
16 staged at the island, much like we do at Northstar.

17 MS. ANGASAN: How fast -- if there was an oil spill,  
18 how fast could you guys get to the Liberty Island if there was?

19 MR. FRANKLIN: Liberty would be a manned island just  
20 like Northstar is.

21 MS. ANGASAN: Mm hmm (affirmative). Okay.

22 MR. FRANKLIN: So they would start responding --  
23 there would be an initial spill response team that would be put  
24 together from the island almost immediately.

25 MS. ANGASAN: So you would say five, ten minutes they

1 would be out there or.....

2 MR. FRANKLIN: Well.....

3 MS. ANGASAN: .....an hour or two or.....

4 MR. FRANKLIN: .....there would be a spill response  
5 team that would move as quickly as they could to get the  
6 equipment that's at the island, you know, activated.

7 MS. ANGASAN: So you have all this material and these  
8 equipments that can take care of any kinds of spills out there.

9 MR. FRANKLIN: Well, as Paul had indicated, there's  
10 still, you know, an issue with the broken ice, which there's  
11 been several spill drills. And BP is working with the State  
12 and federal agencies to still try to get (indiscernible -  
13 cough) in place for broken ice conditions. And that will be in  
14 the C plan that needs to be presented to the agencies, again,  
15 for Northstar.

16 MS. ANGASAN: So when you have these -- what is it  
17 called? -- these drills that you have, have they been  
18 successful?

19 MR. FRANKLIN: Well, you're asking the question, I'm  
20 sure you know the answer. Some parts of them have been  
21 successful, but they haven't satisfied the agencies that we can  
22 still respond as well as we should be able to.

23 MS. ANGASAN: Thank you.

24 MR. FRANKLIN: You're welcome.

25 HEARING OFFICER: Merylin?

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MS. TRAYNOR: On the same line, if you had a spill and we had a storm going on and it happened that nobody could get to it, and we had sea breakup, I know -- I mean, I know you haven't figured out what to do in broken seas, but, you know, there's -- when the weather comes down here, you can't do anything.

MR. FRANKLIN: Well, response would be a primary part of it, but safety is the primary issue. Can it be done safely? And what we could do -- be done safely, would be.

MR. KING: Let me just add one thing there. The EIS, in its analysis of effects, does not assume some level of cleanup occurs. It actually assumes no cleanup occurs, and we try to project what would happen. Again, we hope cleanup does occur. We actually hope that they can clean it all up, but the EIS tries to -- or goes from the angle of what if there were no cleanup, what would be the effects to, you know, subsistence and the species, et cetera.

MS. TRAYNOR: And does the EIS look at different levels of spills, like a certain volume of spill?

MR. KING: Yes. There's a whole bunch of different volumes in there that are outlined that are kind of from different scenarios. What happens if there's a leak during the winter that's small and you don't notice it? What happens if there's an iceberg? All those type things are there, and you

1 get different volumes of spills. I think the largest spill we  
2 look at is around 2,300 barrels.

3 HEARING OFFICER: Except for the largest.

4 MR. KING: Except for a very large -- there is a  
5 potential, if you had a blowout during drilling, that you could  
6 have a much larger spill. But from the pipeline spills,  
7 they're around 2,300 barrels, something like that.

8 HEARING OFFICER: There's a whole slew of them, and  
9 each one is defined as to what the circumstances and causes  
10 would be, how it would occur. For instance, the team here  
11 wanted to have a very -- to show what would happen if there was  
12 a very small spill from the pipeline that was below the  
13 capability of the mass balance pressure point analysis that is  
14 normally run on a pipeline, so that it wouldn't be detected by  
15 that, and how long would it occur, and what have you.

16 There's also a -- what we call a sniffer system that  
17 is a proposal, which is a tube that runs along parallel with  
18 the pipeline. It's -- it has been installed on Northstar, and  
19 it's being checked out under Northstar. But that has the  
20 ability to detect very small quantities of oil.

21 Now, we'd be pleased to answer any questions, as I  
22 said, but I also want to give anybody the opportunity to  
23 testify who would like to at this time. Lon? And then, Lon,  
24 could you state your name and your title in this case?

25 PUBLIC TESTIMONY OF MAYOR LON SONSALLA

1 Name is Lon Sonsalla, and I'm the current Mayor of  
2 Kaktovik. Well, for one thing, I looked at the -- my calendar  
3 today, and it said the first day of spring, and I realized it  
4 must have been printed somewhere else. So there's a.....

5 (Laughter)

6 HEARING OFFICER: (Laugh) It doesn't feel that way.

7 BY MAYOR SONSALLA (Resuming):

8 We have a nice little ground blizzard going today.

9 But I just wanted to back up a couple of things -- or  
10 I'll start with backing up something that was already said  
11 about the oil spill cleanup, and that's one of the major  
12 concerns for people up here, is that the -- we don't -- we  
13 haven't seen yet, and as you have also backed up, that we --  
14 the capability of cleaning up oil in the ice-infested waters  
15 and broken ice conditions is not quite there yet. And so we're  
16 very concerned about that and how that might affect the ocean  
17 as well as the shoreline.

18 As long as I'm here, I'll bring up a couple of points  
19 that I had gone over today. I was reading through the EIS, and  
20 one of the things that struck me was the cumulative effects.  
21 And I know we've talked about this when we were talking about  
22 the Northstar Project, that if that was successful, then that  
23 could lead to another project, and another one, and pretty  
24 soon, there'd be a possibility that there would be a lot of  
25 these out in the ocean. And that worries people because of the

1 possibility of noise pollution, that during the drilling phases  
2 as well as the helicopter traffic and the barge traffic during  
3 the open-water season.

4 And as people will tell you tonight, that the more --  
5 while there is drilling going on, and also the other noise,  
6 that it does divert the whale migration pattern. It has  
7 changed quite a bit. I know in the EIS it says that there's  
8 parts that -- it does change a bit as you go through different  
9 parts of the EIS, but it does say that the patterns seem to  
10 change but only temporarily. And from what we've talked with  
11 the hunters here, it changes pretty dramatically.

12 And so one of the mitigating measures should be that  
13 there shouldn't be any noise-making activities during whaling  
14 season that would affect the migration patterns, which is  
15 similar to what we would want to see, of course, if there was  
16 something happening on land during the caribou calving season.

17 So, I mean, there is a similarity there.

18 One other thing was that I had talked about --  
19 apparently, about five years ago, from what it said in the  
20 book -- was that we are being impacted here quite a bit. We do  
21 a lot of hearings and testimonies and meetings about these  
22 kinds of things, and I had suggested some kind of funding for  
23 an impact office, a local impact office, here in Kaktovik. I  
24 haven't seen anything on that yet, but I still think it's a  
25 valid point, that if you look at these books back here, it's

1 almost daunting. I mean, the one that I tried to look through  
2 today had about 500 pages in it, and, you know, I kind of  
3 skimmed through it. So, you know, you almost need somebody  
4 that can spend more time on these kind of things.

5 I think I'll leave it at that for now and let some  
6 other folks talk.

7 HEARING OFFICER: Okay. Thank you. Does anybody  
8 have any questions that they'd like to address to Lon?

9 (No audible response)

10 HEARING OFFICER: Okay.

11 MAYOR SONSALLA: Thank you.

12 HEARING OFFICER: Thank you, Lon.

13 (Pause - Side comment)

14 HEARING OFFICER: Anyone who would like to testify at  
15 this point, further? Cash?

16 PUBLIC TESTIMONY OF MR. CASH FAY

17 Hello and good evening. My name is Cash Fay,  
18 representing BP Exploration Alaska, Incorporated, herein BP.  
19 I'm the Permitting Advisor for the Liberty Project. BP  
20 appreciates the opportunity to present testimony on the Liberty  
21 Development and Production Plan and the Draft Environmental  
22 Impact Statement.

23 The Draft EIS generally represents a thorough and  
24 comprehensive analysis of the potential impacts of the Liberty  
25 Project. We commend the Minerals Management Service, the U.S.

1 Environmental Protection Agency, and the U.S. Corps of  
2 Engineers on delivering the Draft EIS, and thank you for your  
3 many hard hours of work. We are particularly pleased that the  
4 North Slope Borough also participated with Minerals Management  
5 Service on the EIS, bringing an important local perspective to  
6 the process. In particular, we commend the EIS team on  
7 ensuring that traditional knowledge is included throughout the  
8 document.

9 BP is confident the Liberty design of a gravel island  
10 and subsea buried pipeline are appropriate engineering  
11 technologies to develop, produce, and transport oil production  
12 in this location in the Beaufort Sea. BP has incorporated  
13 numerous environmental mitigation features in the project, as  
14 detailed in the EIS, and we have made a concerted effort to  
15 address local knowledge, information, and concerns obtained  
16 through numerous meetings and workshops in the North Slope  
17 Borough communities.

18 BP is aware of the issues and concerns some members  
19 of your community have about the effects of the Liberty  
20 development on the subsistence use and is committed to enter  
21 into conflict avoidance agreement with the Alaska Eskimo  
22 Whaling Commission, in particular, to ensure mechanisms are in  
23 place to avoid or minimize impacts to subsistence whaling  
24 activities in the fall. We have entered similar agreements in  
25 each of the past three years for our open-water seismic

1 programs and the Northstar Project.

2 BP would also like to draw attention to other  
3 environmental mitigation features that demonstrate our  
4 commitment to build a safe and environmentally sound project.  
5 Examples include:

6 Minimization of the island footprint to a surface  
7 area of approximately five acres.

8 Minimization of marine discharges through disposal of  
9 waste streams, including drilling wastes, in a permitted  
10 injection well.

11 And process design to minimize carbon dioxide  
12 emissions and ensure air emissions meet national ambient air  
13 quality standards.

14 BP's proposal is an environmentally sound alternative  
15 involving the shortest possible pipeline route. The pipeline  
16 is designed to protect it from ice gouging, strudel scour,  
17 near-shore permafrost, and coastal erosion. BP's pipeline  
18 design comprehensively addresses these design issues.

19 The Liberty Project will bring significant revenues  
20 to the state and the North Slope Borough and will generate many  
21 Alaskan jobs through Alaska hire and contracting. In the North  
22 Slope Borough, BP has introduced a number of training and job  
23 initiatives in these areas, such as:

24 One, Ikinalvik (ph) Initiative that includes six  
25 programs designed to train and recruit North Slope residents

1 for industry employment or preparation for college curricula in  
2 the sciences and engineering.

3 Two, a joint recruiting program with Arctic Slope  
4 Regional Corporation.

5 And three, training and contracting programs for the  
6 village response teams through Alaska Clean Seas, Elisivik (ph)  
7 College, UIC, Kukpuk, and KIC.

8 Alliance partners in the Liberty Project include two  
9 Arctic Slope Regional Corporation subsidiaries. They are  
10 Houston Construction Company and Alaska Petroleum Contractors,  
11 which are involved in the project construction.

12 Finally, we recognize that the North Slope Borough  
13 has its own approval process through rezoning, which will  
14 involve public comment and hearings on the Liberty Project. We  
15 are committed to continue to discuss the project and address  
16 issues and concerns of the North Slope communities.

17 In addition to this testimony, BP will be submitting  
18 detailed written comments. And I thank you for the opportunity  
19 to provide comments.

20 HEARING OFFICER: Cash, would you be willing to take  
21 any questions from the audience?

22 MR. FAY: That I can answer.

23 HEARING OFFICER: Any questions for Cash?

24 MS. ANGASAN: You said you had some -- my name's Ida  
25 Angasan. You said you had some training programs. Science and

1 engineering. What were the other two?

2 MR. FAY: It's the Ikinialvik (ph) Initiative.

3 MS. ANGASAN: Economic.

4 (Side comment)

5 MR. FAY: I'm probably mispronouncing it. I  
6 apologize.

7 HEARING OFFICER: Is it Economic?

8 MS. ANGASAN: Oh, that -- it....

9 HEARING OFFICER: It's not "Economic." It's.....

10 MS. ANGASAN: It's that (in Inupiat). May I say it  
11 for you?

12 MR. FAY: Yes. Please.

13 MS. ANGASAN: Ikinialvik (ph), is getting the  
14 training ready.

15 MALE SPEAKER: It's going to be ready for the  
16 whaling?

17 MS. ANGASAN: Ikinialvik (ph) Training Program, for  
18 science and engineering. Like the kids do from when they're  
19 finished from high school, they go on to prepare for college  
20 and they take these six-month courses.

21 (Comment from the audience)

22 (Translation by Translator)

23 MS. ANGASAN: Okay. Thanks. I understand that now  
24 (laugh).

25 HEARING OFFICER: Good.

1 MR. FAY: It's my fault. It's my pronunciation.

2 (Laughter)

3 HEARING OFFICER: Other questions?

4 MAYOR SONSALLA: Are these jobs going to be pretty  
5 technical jobs or what? What I mean, in reality, a lot of the  
6 folks from here aren't -- do not travel very far to go and work  
7 somewhere else, and I know it would be an opportunity, but --  
8 Jack's one of the folks that do actually travel and go and work  
9 somewhere besides here, but most folks don't really care to  
10 leave the village, not for very long.

11 MR. FRANKLIN: What BP has done generally.....

12 HEARING OFFICER: Identify yourself.

13 MR. FRANKLIN: Luke Franklin again.

14 HEARING OFFICER: Thank you.

15 MR. FRANKLIN: What BP has done, you know, throughout  
16 the North Slope, is it's tried to hire through the contractors  
17 that are owned by the Regional Corporations and so forth. The  
18 jobs vary from, you know, the laborers on the field, which are  
19 very important, the roustabouts in the field, to some of the  
20 middle management and upper management jobs with some of the  
21 companies. BP, as a company, also hires, you know, within the  
22 corporation for the jobs on the Slope as well as the ones in-  
23 house. So to say would they be technical, there'd be a varied  
24 range of jobs and job skills needs.

25 MAYOR SONSALLA: Thank you.

1 (Pause)

2 MS. TRAYNOR: I have a question.

3 HEARING OFFICER: Merylin?

4 MS. TRAYNOR: What kind of revenues would be  
5 generated for the North Slope Borough from this well? I mean,  
6 taxes or is there -- besides just jobs.

7 MR. FRANKLIN: Merylin, I would have to get back with  
8 you on the amount, but there would be a tax revenue base, both  
9 for the State and the North Slope Borough from the project,  
10 much like what comes from the Northstar as well. But I can get  
11 you a number and provide it back to Lon, if you'd like.

12 MS. TRAYNOR: Yeah, I'm not interested in the number.  
13 I figured it was State lands, and I wasn't.....

14 MR. FRANKLIN: Yeah.

15 MS. TRAYNOR: I didn't think that there would be much  
16 coming to the North Slope Borough.

17 MR. FRANKLIN: It's not -- it's only the portion of  
18 the project that was on State waters and lands, which is not  
19 the island.

20 MS. TRAYNOR: The island's on what?

21 MR. KING: Federal.

22 HEARING OFFICER: Federal.

23 MS. TRAYNOR: The island's on federal lands? So what  
24 does that mean to the North Slope Borough? Not much?

25 MR. FRANKLIN: Compared to an onshore project, a lot

1 less revenue.

2 HEARING OFFICER: There.....

3 MR. FRANKLIN: Because you would tax the pipeline  
4 portion of the project.

5 MS. TRAYNOR: Just the pipeline portion.

6 HEARING OFFICER: Other than the portions that are on  
7 State land, there are two sources of revenues that would come  
8 to the -- well, actually, more than two -- that would come to  
9 the State. One -- to the State, not to the North Slope  
10 Borough. One is the what's called § 8(g) of the Outer  
11 Continental Shelf Lands Act where 27 percent of the receipts  
12 from leasing and development and rentals, from royalties,  
13 rentals, and bonuses from leasing, go to the State.

14 There's also receipts from the Outer Continental  
15 Shelf Lands Act Program, from the Outer Continental Shelf Oil  
16 and Gas Program, come to the federal Treasury and are then  
17 allocated to various funds, land and water conservation funds  
18 and others, which, in turn, fund projects that some of which  
19 exist here on the North Slope already.

20 The CARA bill that was enacted last year, which has  
21 \$100 million of funding for this calendar year and will be  
22 disbursed, apparently, in October, has a chunk of money that  
23 will go to the North Slope Borough, fairly substantial chunk.  
24 The formula hasn't been worked out in detail, but the act is  
25 fairly specific on how that will be allocated. Basically, it's

1 what we call inversely proportional to the distance from the  
2 development to shore. And since the -- and it accounts for  
3 leasing as well as for development. So a fair chunk will go to  
4 the North Slope Borough from that.

5 I think those are the -- other than the tax base that  
6 Tom mentioned for the pipeline, I think those are the major  
7 ways in which money either goes to the State or to the North  
8 Slope Borough.

9 MR. LOHMAN: And I'll add to that. This is Tom  
10 Lohman. I'm with the Borough.

11 I guess the Borough hasn't completed its analysis of  
12 the CARA bill yet, and we're not, probably, as confident as  
13 Paul is that we're going to get a big chunk of, you know, \$100  
14 million.

15 MS. TRAYNOR: What's "a big chunk"?

16 MR. LOHMAN: And it.....

17 HEARING OFFICER: Well, it's divided among seven  
18 states, so you'll get no more than one-seventh.

19 MR. LOHMAN: I think the number is actually down to  
20 like \$80 million now. It keeps creeping down every time you  
21 see it in print. Maybe some of the media folks in the room  
22 have a better idea of where that is right now, but it started  
23 out as a huge amount of money for about 15 years and got  
24 whittled down. The final bill has been called CARA Light for a  
25 lot of reasons.

1           It's some amount of money in the millions of dollars.  
2           There's a formula that decides who it gets shared with. Some  
3           of it gets directly shared with municipal subdivisions by the  
4           State after they get their share, and municipal subdivisions  
5           are only down to the level of boroughs, boroughs or counties.  
6           And again, as Paul said, there's a formula about how close you  
7           are to the development, how much development there is, how  
8           many -- what the population of the affected area is. So the  
9           Borough would pick up points on some of those scales and lose  
10          points on other parts of those scales.

11           HEARING OFFICER: And coastline, I think.

12           MR. LOHMAN: And length of coastline. So we'll  
13          believe CARA money when we see CARA money in the same way we --  
14          you know, it took us years to get NPRA money. And the CARA  
15          bill went from being a 15-year program to a one-time program  
16          that may get renewed. But again, who knows what's going to  
17          happen down the line? So we'll believe it when we see it.

18           And, you know, speaking -- I shouldn't -- well,  
19          speaking -- stepping outside of my Borough role for a second,  
20          if I were an affected community like you folks are, I would be  
21          knocking on the Borough's door and saying, 'If and when you get  
22          any of that money' -- as your Mayor said -- 'we're on the front  
23          lines out here. Maybe we ought to get a little share of that  
24          Borough money.'

25           MS. ANGASAN: A good share.

1 MR. LOHMAN: I didn't say that.

2 (Laughter, side comments)

3 MR. LOHMAN: North Slope Borough. So there's CARA  
4 money out there, and it's not related to this particular  
5 project directly, but there's money out there.

6 HEARING OFFICER: I think the thing to make clear is  
7 that yes, the bill was enacted; yes, a hundred million or so  
8 was appropriated. The North Slope Borough will get a portion  
9 of that. It's a question of how much. And whether there's an  
10 appropriation for next fiscal year will be another matter.

11 MS. TRAYNOR: So it's not an ongoing thing.

12 HEARING OFFICER: The original bill was designed to  
13 be an entitlement, which would make it ongoing without annual  
14 appropriations, but in the wonderful process that goes on in  
15 Capitol Hill, they decided it would be an annual appropriation.

16 As they -- the Congress likes to keep control of the purse  
17 strings, as you know.

18 MAYOR SONSALLA: Does that money go through the State  
19 hands first or.....

20 HEARING OFFICER: Not -- no. In the case, 60 percent  
21 of the funds that come to the State of Alaska go to localities  
22 directly. They don't pass through the State hands. Now, there  
23 may be a disbursing agent in the state, I don't know, but  
24 there's no -- there are no hurdles to go through, let's say, or  
25 question as to what portion goes to localities.

1           MAYOR SONSALLA: The part that bothers us here is  
2 that, you know, in a state that's so spread out like this, is  
3 that most of the money that comes into Juneau goes to  
4 Anchorage.

5           HEARING OFFICER: Right, but.....

6           MAYOR SONSALLA: In other words, Fairbanks.....

7           MS. ANGASAN: Exactly.

8           MAYOR SONSALLA: .....or Juneau, and then it'll -- we  
9 get the (indiscernible).

10          MS. ANGASAN: But the time we get there, it's --  
11 there's hardly anything left.

12          HEARING OFFICER: Well, but it's a little different.

13          It's a little different here because the drafters of that  
14 legislation -- and I'll tell you, I was involved in early  
15 versions of this back in 1980, and the idea was originally to  
16 make it totally based on proximity. That's a portion of it,  
17 and it's proximity between the lease or the development project  
18 and the coastline. So we're talking -- you know, any leases  
19 here, we're talking North Slope Borough. By the time you get  
20 down to other parts of the state, it's a pretty great distance.

21          So the majority, by a substantial portion, like close  
22 to 100 percent, is going to go, based on North Slope leases, to  
23 the North Slope Borough. Then there's another portion based on  
24 population, and that, of course, is where Anchorage, if -- and  
25 I don't know whether it's coastal. It may be coastal. Most of

1 this stuff was designed for the Lower 48, so they talk about  
2 "coastal counties," whereas, of course, Alaska has got a  
3 tremendous coastline. So there's a portion -- let me just say  
4 a portion based on population and then a portion based on  
5 coastline. So whether it's borough coastal or what, I'm not  
6 sure.

7 But I think the North Slope Borough will get a --  
8 relative to other portions of the state of Alaska, will get a  
9 substantial chunk. Yeah. Good point.

10 The administrator of this program is NOAA, the  
11 National Oceanic and Atmospheric Administration. But the  
12 formula that was drafted is fairly detailed. It's not written  
13 in very loose language; it's written in fairly precise  
14 language. So I think that if you got the bill, sat down, you  
15 could do a back-of-the-envelope calculation and be roughly in  
16 the ball park of what the North Slope Borough would get.

17 Tom, did you have something to add?

18 MR. LOHMAN: I want to see your envelope you're  
19 scratching on, I guess. But, you know, I'll start -- I don't  
20 want to belabor it, the horse has been dead here for about five  
21 minutes, but I'll stop kicking it in a second.

22 Seven states is provided under it, and I think it's  
23 less than \$100 million, but for argument's sake, if it's  
24 \$100 million and it's divided evenly among seven states.....

25 HEARING OFFICER: That's right.

1 MR. LOHMAN: .....you're already down to \$14 million.

2 HEARING OFFICER: Right.

3 MR. LOHMAN: Which, to me, is less than a big chunk.

4 And then if you got 60 percent somehow carved out of that,  
5 you're down to \$7 million. You know, so 80.....

6 HEARING OFFICER: Well, 60 percent would go to  
7 localities.

8 MR. LOHMAN: To localities. And then you're talking  
9 about all of Alaska and not just the Borough. So it's -- and I  
10 don't mean to sound.....

11 MS. ANGASAN: And you only have \$2 million.

12 MR. LOHMAN: .....flippant about it, but on the scale  
13 of things that we're dealing with the Legislature this year, if  
14 the Borough gets \$5 million out of this, you know, that's  
15 terrific. It's wonderful. But it's not a huge amount of money  
16 that's going to change the way we do business.

17 HEARING OFFICER: Right.

18 (Indiscernible comment)

19 MR. LOHMAN: And if, you know, Robin Taylor gets his  
20 way, it means it will be handy for pencils with it at school  
21 probably. Try and keep the lights on in the school.

22 HEARING OFFICER: Okay. Anyone else have a comment,  
23 observation, or would like to testify? Thank you. Cash.

24 MR. FAY: Thank you.

25 MR. AHLERS: I'll give it a shot.

1 HEARING OFFICER: Please. Thank you. And again, if  
2 you could state your name, I'd appreciate it.

3 (Side comment)

4 PUBLIC TESTIMONY OF MR. LOREN AHLERS

5 My name is Loren Ahlers, resident of Kaktovik. I am  
6 totally unprepared for this, so I'm going to wing it.

7 HEARING OFFICER: Good.

8 BY MR. AHLERS (Resuming):

9 Probably confuse myself more than I confuse you.

10 I feel that the development of oil offshore, although  
11 up to this date, it seems to have been quite safe, is still a  
12 dangerous practice and should be looked at very carefully  
13 before it's approved. Should some type of accident occur, the  
14 technology is certainly not there to clean it up during certain  
15 times of the year, and this should very much be taken into  
16 consideration before approval.

17 There is a lot of development that could be done on  
18 land, including ANWR, that has great potential, that should an  
19 accident occur on land, the ability and technology to clean it  
20 up is already here and in place. It would cause much less of a  
21 lasting impact to the Native people and the way of life.

22 I feel that the support the -- I don't know what  
23 support the Minerals Management has towards ANWR development.  
24 It's an important issue at this time. But just today there was  
25 a highly technical oil rig that sunk in the ocean. That shows

1 you that the possibilities are there. That was in open water.

2 Cleanup can be done successfully, or much more successfully,  
3 than it can here. So before you grant this project, take a  
4 good look at it.

5 The oil companies have an excellent record on the  
6 North Slope. They have been our friends. They have provided  
7 greatly towards the development, the safety of people that live  
8 on the North Slope and throughout the state of Alaska. They  
9 have been conscientious about how they develop. They have  
10 improved since the first days in '68 when they first struck and  
11 the development of Prudhoe Bay. They have reacted to concerns.

12 And it's not their lack of feeling that they're -- let me find  
13 another way to say this.

14 It's -- I feel that they are very much concerned,  
15 just like we are, about the possibility of something happening  
16 that would be drastic up here. But they can see -- they,  
17 knowing that they have the technology to prevent it, have --  
18 feel that it's safe enough to go ahead and do this. We, seeing  
19 things that have happened in other places -- the Valdez  
20 disaster, this rig that just dumped today -- these things can  
21 happen, and we see that and we know, through our experiences of  
22 living here prior to '68, that it would be a tremendous  
23 disaster for the people here and would take so long to reverb  
24 back and, if ever, to come back to where it is today and the  
25 changes that gradually take place to improve life on the North

1 Slope.

2 We would much rather see them stay on shore, find new  
3 fields, get Congress on the side of ANWR, and develop it in a  
4 way that will cause less and less impact even on shore. They  
5 can do that, and we have the ability to do that. So my  
6 concerns are really about offshore development, and I just  
7 wanted to make that point. Let's go on shore, stay there until  
8 we can do what we need to do offshore.

9 HEARING OFFICER: Thank you, Loren.

10 MR. AHLERS: Thank you for the opportunity.

11 HEARING OFFICER: Thank you for speaking. Issac?  
12 Could you state your name, Issac, please?

13 PUBLIC TESTIMONY OF MR. ISSAC AKOOTCHOOK

14 My name's Issac Akootchook. I'm raised up here in  
15 Kaktovik. I'm born up here, and I'm still here in Kaktovik.  
16 And I see a lot of changing since I was 15, 17, 20 years, and  
17 30s. It's like that because I live here and traveling and  
18 hunting, raised my family. My parents' families is traveling  
19 back and forth and used this land.

20 Until today, and we have more visitors to come over  
21 and see this oil and gas to be -- work on it. But I have a lot  
22 of questions to you people sometime, next time maybe you come  
23 back again, because this is a change. It's from my life. When  
24 I growing up, the weather and the ocean and the currents,  
25 something like that, it's a lot of changing.

1           When I was young and the ice piling right up to the  
2 cliff down here, sometimes the ice piling up and no wind, just  
3 push it from the current, and the piling is sometimes 20 feet,  
4 10 feet. And around about 20, 30s, and 40s, and up to that, we  
5 never seen it anymore. The weather did change. The oceans is  
6 warmer. And the animals, there's a lot of animals still  
7 around, but that's when I look at it.

8           But it's these oil companies since come over and we  
9 have a lot to testify and tell them about what is -- wind and  
10 the current and whatever and being in the ocean. We -- that's  
11 why we always oppose this on the water-land because of our --  
12 because the oil spills, and how we going to clean up the sea?  
13 They already tell them about this 'cause a lot of times we have  
14 concern about that. And that's what I say, this have happened,  
15 it's going to happen. If it don't happen, we got to learn  
16 more, and we do some more better things, I guess.

17           If that happens, it will be happen because we are --  
18 eat animals from the ocean, seal, bearded seal, fish, and the  
19 whales, and all the animals in the ocean. Same thing is in the  
20 in-land, caribou and musk ox, ptarmigan, squirrel -- a lot of  
21 squirrel. But it's always hiding in the wintertime.

22           (Laughter)  
23 In the springtime coming up, you'll see it. It's still good  
24 food and a whole lot of things. And that's why we all try to  
25 protect it from the wildlife people, to see that kind of

1 animal.

2 And again, I say I'm kind of confused a little bit  
3 about your -- says about that and the oil -- or the pipeline's  
4 going to be in the Foggy Island area. And that's what I said.

5 I don't want to just -- I was oppose it and -- what they say,  
6 Northstar? That one is way down 20 miles from shore? That's  
7 what is fairly dangerous of that. But it's in -- this is a  
8 lagoon. Maybe going to work. Who knows? I'm not going to say  
9 really in that, but right on the lagoon, 'cause it's different  
10 from the ocean. But it's piling, but it's just different.

11 And after I have testified, as I say, I'm going to  
12 have more questions for you guys about that. And that's what I  
13 seen it because -- and today is -- I've been in here at  
14 Kaktovik since -- 79 years now, next month -- next week and 31  
15 of this month.

16 HEARING OFFICER: Happy birthday.

17 BY MR. AKOOTCHOOK (Resuming):

18 I'm going to be 91. I still have a lot of concern.  
19 I see a lot of visitors, and I still (indiscernible) it because  
20 this is really important to our young people. We need -- both  
21 ways we look at it, we need this, we need that, we need help,  
22 we need too. And we need to look for work. That's important  
23 to our people up here. Need a job. We need that work.

24 And they look for the education money. 'Cause we've  
25 been a borough for so many years, and Kaktovik is not really

1 helped much about. We need something. And don't forget that.

2 It's -- this is our home. And again, we should work together,  
3 the way it's always made (indiscernible), work together. And  
4 after that, it's always sometime we forget something, and after  
5 we talk about it, you know.

6 And good things is always having our animals and  
7 people up here work with the kids at school. My daughter,  
8 older daughter, she's been writing in all the time. I've not  
9 been -- I never been to school, but I'm learning. And the  
10 people want learning, it's always learning. And see work and  
11 do. Thank you very much. Some time to have more.

12 MR. KING: Thank you.

13 HEARING OFFICER: Thank you for testifying.

14 MS. ANGASAN: Excuse me. That Foggy Island, is it in  
15 the lagoon, or is it outside the lagoon?

16 MR. AKOOTCHOOK: Foggy Island is right up off. It's  
17 some inland, but it's -- Cross Island is on the other way down.  
18 And he say -- you say it's going between them and that.....

19 HEARING OFFICER: Yes. It's inside the barrier.....

20 MR. AKOOTCHOOK: Inside of the lagoon.

21 HEARING OFFICER: Inside the barrier islands.

22 MR. AKOOTCHOOK: Right. Yeah. Uh-huh (affirmative).  
23 Inside of barrier island.

24 MS. ANGASAN: Okay.

25 MR. AKOOTCHOOK: That's a lot of sometime they are --

1 Nuiqsut is always have more concern about the whales coming  
2 through sometimes if the -- you know, activities, you know. If  
3 they have activities, they're just always going out to the  
4 ocean sites, you know.

5 HEARING OFFICER: Right.

6 MR. AKOOTCHOOK: That's just the -- we always hear  
7 the lagoon is a slipping from the ocean. Ocean is move all the  
8 time. Lagoon is (indiscernible), and sometime move too, okay,  
9 but they're not like (indiscernible).

10 HEARING OFFICER: Thank you. Lon?

11 MAYOR SONSALLA: Why is the pipeline -- can you  
12 explain the five different options for the pipeline?

13 HEARING OFFICER: Sure. Let me take a crack at it,  
14 and Fred will pick up any pieces here.

15 BP proposed a pipeline from what they proposed to be  
16 Liberty Island straight to shore. And that's the one that's  
17 shown on the map.

18 We also looked at another alternative island location  
19 which was based on the concern that we heard voiced, and the  
20 comment we heard voiced, that the island should be located as  
21 close to shore as possible. So we found a location on the  
22 tract, since BP has purchased a tract and they can develop from  
23 that tract. We found a location as close to the shoreward side  
24 of the tract as we could and picked that as another alternative  
25 location.

1           We then also, on the suggestion -- I think it was  
2 EPA -- use Tern Island, which was an old artificial island  
3 built to do exploration. And in fact, I think the original  
4 resources of Liberty were discovered from that island.

5           So those are the three island locations. Obviously,  
6 for every location, you need a pipeline to shore. The one that  
7 I said was on the shoreward -- the part of the tract that's  
8 closest to shore, that one has a pipeline going to the nearest  
9 point on shore. That distance is about five miles, whereas the  
10 Liberty proposal, I believe the pipeline length is six miles.  
11 And the -- that one that comes to the nearer point of shore,  
12 then, has a longer onshore section that goes over to Badami.

13           The Tern Island location would use that same pipeline  
14 route. It's -- they're lined up pretty closely, so we used the  
15 same pipeline route to shore.

16           So those are the -- what we call the island location  
17 pipeline route alternatives. We also have two other  
18 alternatives that concern the pipeline. One of those, the  
19 burial depth that we're looking at in the proposal is, let's  
20 say, in the ball park of six or seven feet. There's an  
21 alternative burial depth of about a 15-foot trench, which would  
22 mean slightly less depth, so 13.....

23           MR. KING: Eleven.

24           HEARING OFFICER: Eleven feet of burial depth. So  
25 one burial depth would be about seven, approximately here. The

1 other is eleven.

2 The other set of alternatives are the four  
3 alternatives for pipeline design. The one of those  
4 alternatives is, of course, the BP proposal, which is single-  
5 wall pipeline. The second one is a steel pipe within a steel  
6 pipe with an air space in between. The next one is steel pipe  
7 in high-density polyethylene. So it's basically a steel pipe  
8 with a plastic outer pipe. And the third (sic) one is a  
9 flexible pipe. The analogy here is the shower cord -- I mean,  
10 the hose on a shower curtain (sic). But that's not what the  
11 pipe is; it's the idea of flexing. It's a much more  
12 sophisticated flexible pipe made up of basically plastic and  
13 steel.

14 So those are the four alternatives that have been  
15 studied for pipeline design. And in fact, rather BP provided  
16 funds and then those funds were transferred to the Minerals  
17 Management Service, and we issued independent contracts to  
18 study those four designs in some depth, to validate the designs  
19 that BP contractor had done and also to look at the probability  
20 of spills from these various pipelines.

21 So what the EIS does is it discusses all of those  
22 various pipeline alternatives. We have pipeline routing. We  
23 have pipeline depth. We have pipeline design. And in  
24 addition, there are some other alternatives that don't concern  
25 the pipeline per se.

1 Does that get to the -- okay.

2 MAYOR SONSALLA: Pipeline depth, I assume you would  
3 go deeper where there would be a possibility of ice scouring?  
4 Is that.....

5 HEARING OFFICER: I think the pipeline depth is  
6 pretty much constant for the -- and, you know, the depth isn't  
7 precisely exactly seven feet at all spots. You know. The idea  
8 is that there are some places it would be buried deeper. I  
9 think those are minimum burial depths. The -- but my  
10 understanding is that the trench depth is the same throughout,  
11 that we don't have a sophisticated enough knowledge to know  
12 that at this particular point we need to be deeper or not.

13 I believe that the main issue is ice scour, and ice  
14 scour, the idea is if an ice keel goes through the area, that  
15 is an iceberg with a portion of it hanging up on the bottom,  
16 that you're impinging on the bottom sediments, that the deepest  
17 that I think they have statistically is that goes down about  
18 two to three feet, is the deepest that they've recorded on some  
19 of the seismic records that they have of how deep these  
20 historic ice scours have been. Is "scour" the right word I  
21 want? I think it is.

22 MR. KING: Well, it's strudel scour and.....

23 HEARING OFFICER: Ice.....

24 MR. KING: .....ice gouging.

25 HEARING OFFICER: Ice gouge. I'm sorry. I knew I

1 was using the wrong word. Ice gouge. The ice gouge, I think,  
2 is two or two and a half feet is the deepest that has been  
3 recorded. The pipeline burial depth is seven. So there's  
4 already a safety factor in there to begin with.

5 Strudel scour is another issue, and that happens  
6 when, in the spring, the water -- the ice is still in place and  
7 the rivers are dumping water on top of the ice, and you get a  
8 hole in the ice and you have basically the same phenomena as  
9 your kitchen sink when you pull the plug. You have that  
10 ventury (ph) effect, and what you end up doing is scouring out  
11 the sediments of the sea floor, exposing the pipe. So that's  
12 another issue for which the pipe was designed, to assure that  
13 if there is -- that it's deep enough in the first place, and  
14 secondly, that it can support itself if there was that type of  
15 ice scour from strudel scour.

16 Those are the, you know, ball park terms, the issues  
17 having to do with the pipeline. The other issue on pipeline  
18 is, is there any question about any thawing of the permafrost.

19 And I think what happens, basically, is the permafrost, as you  
20 go offshore, it dives much deeper. It's well below the  
21 sediments, or well deeply buried in the sediments. But as you  
22 get to shore, it's shallower. And so that's taken into account  
23 in the project description that BP has as to how they will deal  
24 with that issue in making sure that you don't have, I think  
25 it's called, a bulb thaw.

1 MR. FRANKLIN: Thaw bulb.

2 HEARING OFFICER: Huh?

3 MR. FRANKLIN: Thaw bulb.

4 HEARING OFFICER: Thaw bulb. Sorry (laugh). Anyway,  
5 and that, there's gravel that's put in place and so on to deal  
6 with that issue. Yes, Merylin?

7 MS. TRAYNOR: I have two questions, totally  
8 different, actually. As you talked, they came up. Could this  
9 oil that is going into the ocean drill be reached from on  
10 shore?

11 HEARING OFFICER: That's a good question and one we  
12 looked at. In fact, we looked at a location at about six feet,  
13 I think, or so where.....

14 MR. KING: Six feet of water.

15 HEARING OFFICER: Six feet of water, right. Where we  
16 would have land-fast ice. That is, that it would be frozen  
17 from the surface of the water all the way down to the bottom of  
18 the sediments. And that's about where that occurs, at six  
19 feet. And another one on shore. Both of those, we didn't find  
20 to be economic, and the one on shore was really on the very  
21 edge and, therefore, questionable economically, from a  
22 technological viewpoint, as to can you do extended-reach  
23 drilling that far.

24 One of the difficulties in extended-reach drilling  
25 is -- and it's my own personal viewpoint here -- is that some

1 companies like to talk about how far they can do extended-reach  
2 drilling 'cause it's a kind of technological advance and  
3 whatever have you. But often, when you look at this, you have  
4 to look at it from -- at least a company needs to look at it  
5 from what can they do that's sound from a project viewpoint,  
6 economically from a project viewpoint. And companies don't  
7 justify projects on fringe abilities to reach an extended  
8 reach. You can -- you justify a project on doing it with  
9 conventional, and then you can add marginally to the gain by  
10 some extended-reach wells.

11 So that -- you know, I think that has to be kept in  
12 mind. You can't be on the edges of technology and justify a  
13 project completely on that basis alone, is maybe a simple way  
14 to say it.

15 MS. TRAYNOR: So then I assume you'll be doing some  
16 extended-reach drilling off the island itself.

17 MR. KING: Yes.

18 HEARING OFFICER: That's correct. And the largest  
19 reach is three?

20 MR. FRANKLIN: Well, about three and a half miles is  
21 where you're starting to push it with technology now. And  
22 we've looked at it, and actually, BP has a team together  
23 looking at extended-reach. But for the Liberty Project, it's  
24 still not technically or economically feasible at this time.

25 HEARING OFFICER: But for Liberty, the largest reach,

1 do you recall?

2 MR. KOEHLER: Oh. On the island itself? From the  
3 island?

4 HEARING OFFICER: From the island.

5 MR. KOEHLER: Yeah, we're talking about 18,000 feet,  
6 nominally three miles.

7 HEARING OFFICER: Three miles is.....

8 MR. KOEHLER: Is the farthest.

9 HEARING OFFICER: .....is part of the proposal for  
10 the furthest reach from the island location to the furthest  
11 down-hole location.

12 MR. KOEHLER: For the North Slope, for North Slope  
13 experience, that's really an ERD for the North Slope also.

14 HEARING OFFICER: "ERD"?

15 MR. KOEHLER: Extended-reach drilling.

16 HEARING OFFICER: Thank you.

17 MR. FRANKLIN: That was Dennis Koehler.

18 HEARING OFFICER: Speaking.

19 MS. TRAYNOR: I forgot my second question.

20 (Laughter)

21 HEARING OFFICER: Well.....

22 MS. TRAYNOR: I'll come back.

23 HEARING OFFICER: Okay. Good.

24 MR. AHLERS: I noticed that there was a Native  
25 allotment place right close to that pipeline. Have those

1 people been contacted? What are their views about the.....

2 HEARING OFFICER: I think I'll leave that to BP to  
3 answer.

4 MR. KOEHLER: We're -- BP, of course, is always  
5 looking at things, looking -- we have (indiscernible). We know  
6 what Liberty looks like. We've known that there are other  
7 points that (indiscernible) sticks out there in the delta of  
8 the Sag River. Yeah, that -- to get to the rest of it, we're  
9 still talking of going out 35,000 feet. We tried the ERD from  
10 there, but it was beyond the envelope of any successful  
11 experience inside the BP total of that depth. So it would be  
12 any kind of drilling from a location like that, or onshore  
13 (indiscernible).

14 MR. AHLERS: What I'm saying, there was a Native  
15 allotment there.

16 MR. KOEHLER: Oh.

17 MR. AHLERS: Have they been contacted?

18 MR. KOEHLER: Oh, they have. They have.

19 MR. AHLERS: They have been?

20 MR. KING: Yeah. We also sent letters to those --  
21 made sure we had the names of the three people at those and  
22 made sure they got EIS's and everything and made sure they're  
23 aware of the project.

24 (Pause)

25 HEARING OFFICER: Any other comments, questions?

1 Anybody who would like to make -- give any testimony?

2 MR. LOHMAN: Paul, you might explain the next step in  
3 the EIS process.

4 HEARING OFFICER: Right. I wanted to do that as we  
5 wrapped up, as kind of the last thing. But first I wanted to  
6 see if anybody has anything else they'd like to say.

7 (Pause)

8 HEARING OFFICER: Okay then.

9 MS. ANGASAN: (Indiscernible, laugh.)

10 HEARING OFFICER: Please. Yes.

11 MS. ANGASAN: Let's take a break (laugh).

12 HEARING OFFICER: Take a break?

13 MS. ANGASAN: Yes.

14 HEARING OFFICER: Do you want to take a few.....

15 MS. ANGASAN: A five-minute break.

16 HEARING OFFICER: A five-minute break?

17 MR. KING: Okay.

18 HEARING OFFICER: Surely.

19 MR. KING: Sure.

20 (Off record)

21 (On record)

22 HEARING OFFICER: We're back on record again. One  
23 more opportunity. If anyone else would like to present any  
24 testimony or have any questions that came up during the break,  
25 we'd be pleased to take them. Yes, Merylin?

1 MS. TRAYNOR: I remembered my question.

2 HEARING OFFICER: Please.

3 MS. TRAYNOR: We are experiencing different weather  
4 patterns, and is that taken into consideration in planning for  
5 this island? Things are warming up, and the seas are going to  
6 rise. Is the island -- you know, what's the height of the  
7 island? And what's the effect of that deep permafrost if the  
8 seas warm up and the permafrost starts to melt?

9 HEARING OFFICER: Well, I'll let Fred fill in  
10 anything I miss here, but I think, basically, the presumption  
11 is that any processes in that line are very, very slow and  
12 incremental. In fact, I was thinking I was reading in the  
13 paper about talking about what would happen a hundred years  
14 from now, how high would the seas be and whatever have you.  
15 We're talking about a project that's 15 years in length, and  
16 that's basically the lifetime that we looked at here.

17 I don't think, with the best information we have,  
18 that we would see a significant rise in sea level to such that  
19 you would have an effect on this project.

20 MR. KING: Yeah, just a couple of things. If I  
21 remember right -- Luke, correct me.

22 MR. FRANKLIN: Fifteen.

23 MR. KING: Fifteen? Yeah, that the island itself is  
24 15 feet above the water line. At the island location, there is  
25 no permafrost. I believe permafrost goes out from shore, I'm

1 thinking three to five hundred feet. So there's just a portion  
2 of the trench offshore, and then, of course, onshore where  
3 there would be permafrost. The island itself, where it's being  
4 built, would not have any permafrost at that location. So  
5 thawing of that should not be a problem.

6           Again, I think what we looked at is if there was  
7 global warming of some type and the sea level rising, it's  
8 something you could monitor and if you needed to add more  
9 levels of sandbags around it, something like that, you could,  
10 and you would have time to do that. The forces that the island  
11 is more concerned with right now would be ice floes running  
12 into it, waves, that type of stuff.

13           And again, I guess if you have a higher sea, you  
14 know, you'd have to deal with it incrementally as it goes  
15 along. But we're not seeing anything that would indicate that  
16 the wave would -- you know, would go from 22 feet of water up  
17 to 42 feet of water in a couple of years.

18           MS. TRAYNOR: Well, I guess that's another question.  
19           Once you build that island there, you're going to have  
20 currents that are going to be changing and are going to be  
21 hitting into that island in different ways, and the ice floes  
22 are going to be hitting it differently. And on this island, we  
23 know what heavy weather does to banks much higher than what  
24 you're dealing with. Everything changes out there once you  
25 build that island.

1 MR. KING: Okay.

2 HEARING OFFICER: What do you mean by that,  
3 "everything changes"?

4 MS. TRAYNOR: Well, when you put -- you're putting a  
5 mass of dirt out there where it's now water. Where now you  
6 have currents that are flowing straight through, now they're  
7 going to have to divert. They're going to hit that land  
8 differently.

9 HEARING OFFICER: Right.

10 MS. TRAYNOR: And they're going to hit land.

11 HEARING OFFICER: Right.

12 MR. KING: Yeah.

13 HEARING OFFICER: I believe the engineers who  
14 designed that island for BP took those into account. Maybe  
15 Dennis could shed some light since he's one of those.

16 MR. KOEHLER: Yeah. We've done the -- there's been  
17 design work done, and there's been studying done at, I think  
18 it's Oregon State down at Corvallis with the Coast Guard, who's  
19 made all the certified verification authority for stability,  
20 and they've done studies, and the island design is the product  
21 of a study done with the Coast Guard for the CDA (ph).

22 MR. FRANKLIN: If you look at the Northstar design --  
23 and Liberty's armoring is the same as Northstar up until the  
24 sheetpile wall at the top. The island's designed so that when  
25 it -- say an ice floe coming in, it does rubble up. It's going

1 to rubble up as ice (indiscernible) up on the shore, and it's  
2 doing that now on the Northstar. But the armoring, the  
3 concrete blocking, seems to be doing well. And it took a large  
4 storm last year at Northstar -- well, everywhere we had it  
5 down. Along the west -- you know, west side, we didn't have it  
6 armored at the time of the storm, and we had some movement of  
7 the sand and gravel there. But where we had it down, it  
8 survived very well.

9 HEARING OFFICER: That's something that can be  
10 monitored and will be monitored closely throughout the  
11 operation of the project. Other questions, thoughts,  
12 observations? Issac? Was that your hand going up?

13 MR. AKOOTCHOOK: No. What are they going to ask you  
14 about? You already talked about the pipe, the pipelines,  
15 whatever. This morning I listened to the pipe -- going to work  
16 on this, you know, and through the news about it, acceptable  
17 pipe and the like. How big is it going to be about, around?

18 HEARING OFFICER: The pipe?

19 MR. AKOOTCHOOK: Yeah.

20 HEARING OFFICER: It's about 12 inches.

21 MR. AKOOTCHOOK: Twelve inches?

22 HEARING OFFICER: In diameter.

23 MR. AKOOTCHOOK: Diameter? Yeah.

24 HEARING OFFICER: And it's about seven-tenths of an  
25 inch thick. The wall thickness is about seven-tenths of an

1 inch. So that's the proposal.

2 MR. KING: So that's about three times as thick as  
3 the TAPS pipeline.

4 HEARING OFFICER: And the.....

5 MR. AKOOTCHOOK: It's not going to get rusty at all?

6 HEARING OFFICER: Well, Dennis or Luke should address  
7 that.

8 MR. KOEHLER: We'll do a -- there's continuous  
9 monitoring we'll be doing of the pipeline by what we call smart  
10 pig, which, basically, we run on a periodic basis looking for  
11 the ultrasonic soundings along the surface looking for signs of  
12 corrosion.

13 MR. AKOOTCHOOK: Mm hmm (affirmative). Yeah.

14 HEARING OFFICER: There also -- the pipeline is  
15 protected with zincs for cathodic protection that are designed  
16 to last for the life of the project. And there are two kinds  
17 of pigs, I believe, ones that detect any change in wall  
18 thickness and another kind that detects a change in geometry.  
19 So if something pushed the pipeline, then that would be  
20 detectable. Or if the pipeline would lift up at all, any  
21 change in the configuration of the pipeline could be detected  
22 too.

23 MR. AKOOTCHOOK: And are you going to bury it right  
24 on the water floor? It's still down.

25 HEARING OFFICER: They're buried at seven feet.

1 Below the sediments.

2

3 MR. AKOOTCHOOK: Seven feet?

4 HEARING OFFICER: Yeah.

5 MR. KING: A minimum seven, and it might be greater  
6 than seven feet, but there would be no less than seven foot of  
7 cover between the sea floor and the top of the pipe. It might  
8 be deeper than that, but it wouldn't be shallower than that  
9 after it's buried.

10 HEARING OFFICER: One of the issues in a pipeline is  
11 when you put a hot liquid through the pipeline, it can cause  
12 stresses and the pipeline would tend to want to lift up in some  
13 cases. But with the heavy cover on top of it, the sediments,  
14 that would not happen. And furthermore, I believe that BP is  
15 planning to put bags, gravel bags, that is, bags of gravel,  
16 along the pipeline before it's buried. And after you dig the  
17 trench, you lay in the pipeline, you put these bags of gravel  
18 to hold it down and then sediment on the top of that, seven  
19 feet of sediment on the top of the pipeline.

20 Is that close enough, Dennis? Is that a close  
21 description?

22 MR. AKOOTCHOOK: Like to go see that (laugh).

23 HEARING OFFICER: Well, I know that during the  
24 Northstar operation that they did have -- in fact, Luke was the  
25 key person on that -- to have tours during the construction and

1 laying of the pipeline. In fact, Fred and I went on one.

2 MR. AKOOTCHOOK: We'll be there.

3 HEARING OFFICER: And Luke can arrange that for you.

4 MR. FRANKLIN: On Northstar, throughout the first  
5 season of construction, we generally had some sort of a tour  
6 for agencies or local residents or, generally, anybody who  
7 wanted to come see, on say once a week, once every other week  
8 at a minimum.

9 HEARING OFFICER: And I would strongly recommend that  
10 anyone who has a real keen interest in how this project would  
11 be constructed, if it's approved in the timing, to go ahead and  
12 be sure to have a tour.

13 (Side conversations)

14 MR. KING: Ida had one.

15 MS. ANGASAN: Paul? My.....

16 (Pause - Side conversations)

17 HEARING OFFICER: Good. Good. Ida?

18 MS. ANGASAN: My name's Ida Angasan. I have a  
19 question on your gravel bags.

20 HEARING OFFICER: Yes.

21 MS. ANGASAN: Wasn't it in one of your islands,  
22 Endicott or somewhere, they were floating? They.....

23 HEARING OFFICER: Yes.

24 MS. ANGASAN: They were floating outside of that  
25 manmade island?

1 HEARING OFFICER: There's a -- they changed the bag  
2 material.

3 MS. ANGASAN: To?

4 HEARING OFFICER: From the type that floats, and they  
5 were black, I believe, and the type that they have now would  
6 sink. Doesn't float; would sink. But I think more  
7 importantly, the bags in some of those earlier islands.....

8 MS. ANGASAN: Mm hmm (affirmative).

9 HEARING OFFICER: .....were not protected with any  
10 concrete or any slabs. These bags went all the way down to the  
11 sea floor. And the way this is designed -- and in fact,  
12 there's a drawing there we could show you if you'd like to see  
13 it -- has the gravel first and then has concrete slabs that go  
14 up to -- above five feet above the water level, and then  
15 there's a 40-foot -- I believe it's a 40-foot flat area.....

16 MS. ANGASAN: Mm hmm (affirmative).

17 HEARING OFFICER: .....and then the gravel bags, so  
18 that the gravel bags are basically out of the surf area and are  
19 40 foot back from where the waves would hit.

20 MS. ANGASAN: Mm hmm (affirmative). Okay.

21 MR. KING: Just one other comment on there. I think  
22 the black bags that we -- that you're talking about were  
23 associated with a lot of the exploration islands, and the bags  
24 that are being proposed here, I think, are similar to those at  
25 Endicott.

1 MR. FRANKLIN: Endicott was the first one to use the  
2 different bags.

3 MS. ANGASAN: Right. Yeah.

4 MR. KING: Yeah.

5 MR. FRANKLIN: These would be like the white ones  
6 that are.....

7 MR. KING: And I don't.....

8 MR. AKOOTCHOOK: Yeah, we find them on the beach all  
9 over.

10 MR. KING: Yeah.

11 HEARING OFFICER: Yes.

12 MS. ANGASAN: Yeah.

13 MR. KING: I don't think we've had any experience  
14 with the Endicott type bags, but the other bags were definitely  
15 a problem, and it's something that we've heard from the.....

16 MR. AKOOTCHOOK: So far, we've never seen anything  
17 more.

18 MR. KING: Yeah.

19 HEARING OFFICER: Right.

20 MS. ANGASAN: Okay. So what kind of chemicals or  
21 anything do you use with these bags if they don't float up?

22 MR. KOEHLER: I want to say it's a poly. I'm not  
23 sure. One was one type of a plastic, and I think these may be  
24 a polyester. The important part is it's denser than water, and  
25 it'll sink if the bag does happen to break.

1 MR. KING: I think that detailed information is in  
2 there, exactly what it is. I think they are polyester, and the  
3 other were polyprop-.....

4 MR. KOEHLER: Polypropylene. I'm not sure exactly.

5 MR. KING: Something like that. But anyway, they're  
6 a different type. There is -- but these are similar to the  
7 bags at Endicott, which they have not been, when they've been  
8 hit, getting into the marine environment and floating in the  
9 water like the other black bags used to be.

10 HEARING OFFICER: Yeah, if I recall correctly,  
11 polypro floats.

12 MR. KOEHLER: Yeah, I think so. It's less dense than  
13 water.

14 MR. KING: Yeah.

15 MS. ANGASAN: Thank you.

16 HEARING OFFICER: Sure. Any other questions, ideas,  
17 thoughts? Testimony? Observations? Yes. Please. Merylin.

18 PUBLIC TESTIMONY OF MS. MERYLIN TRAYNOR

19 Hi, I'm Merylin Traynor. Totally unprepared for  
20 this, but I want to say I appreciate all the different agencies  
21 that have worked on this and looked at this. And I know that  
22 in this state and this country, we try to do it the best way we  
23 can. But I feel that Kaktovik really doesn't have a whole lot  
24 to say about this. I appreciate the fact that you come out and  
25 tell us this and let us know what's happening, but I don't feel

1 that we have a whole lot of say about it, and it doesn't really  
2 matter what we think. If it's going to happen, it's going to  
3 happen.

4 I also feel that most of the benefit to this is going  
5 to go to the federal government, from what I heard tonight.  
6 And more should go to the people who live here. Just because  
7 there's not a lot of people who live here, they still should be  
8 the major people to have a say in this. Thank you.

9 HEARING OFFICER: Thank you. I would make one  
10 observation, Merylin, and that is that we do care what the  
11 people of Kaktovik and Nuiqsut and Barrow have to say, that we  
12 view these hearings up here very important in our EIS process,  
13 and that the alternatives that we developed in the EIS, as I  
14 mentioned in the very beginning, were drawn almost exclusively  
15 from ideas and recommendations and concerns that we heard at  
16 the three original scoping meetings in Barrow, Kaktovik, and  
17 Nuiqsut, and some in particular at the meeting here in  
18 Kaktovik.

19 So it is important to us that we know what the  
20 residents of Kaktovik are concerned about, what they have to  
21 say. We rely on the traditional knowledge we've been able to  
22 glean from the elders in the three villages.

23 And I will agree with you that the way the laws are  
24 written is the majority of the receipts do go to the federal  
25 government and some to the State government, and less to the

1 North Slope Borough, and it's more difficult to get it to  
2 individual villages.

3 MS. TRAYNOR: And, well, I have to say whatever you  
4 can do to prevent any mishaps is only a benefit to this  
5 village.

6 HEARING OFFICER: Thank you.

7 MS. TRAYNOR: Mm hmm (affirmative).

8 HEARING OFFICER: Any other questions or thoughts or  
9 anybody else -- yes, Lon?

10 MAYOR SONSALLA: I'd just like to say that we didn't  
11 have a large local turnout, but it seems like everybody had a  
12 chance to say things, and this was good tonight.

13 And I'd like to back up what Loren said about the  
14 people -- if more people were here, I'm sure they would agree  
15 with him also -- that people are more uncomfortable with  
16 offshore than onshore, and mostly for the reason that, like  
17 Issac was saying, is things move around out there, and they're  
18 kind of unpredictable, and it's a bit scary because of that.  
19 So, you know, and onshore is stable. So -- but I think if a  
20 lot of people were here, you'd hear a lot of that.

21 HEARING OFFICER: Okay.

22 MAYOR SONSALLA: So I'd just like to back up Loren on  
23 that.

24 HEARING OFFICER: Thank you.

25 MAYOR SONSALLA: You're welcome.

1 HEARING OFFICER: Okay. I just wanted to let you  
2 know that any questions that were raised in the testimony will  
3 be answered in the Final Environmental Impact Statement, which  
4 will be out at the end of this year, beginning of next. And  
5 that's how we do it. There's a separate section that addresses  
6 questions raised in testimony or raised in written comments.  
7 And again, those written comments are due by the 13th of April.

8 A copy of this document is in the library. Another  
9 copy, I know Lon has a copy in his office. And we can Fed Ex  
10 you a copy if you haven't gotten one and want one. And you can  
11 get the whole document, you can get the Executive Summary, you  
12 could get it on compact disc, as Fred had mentioned. And we --  
13 if you do want a copy and you get your -- give us your name  
14 tonight, we will get it to you, if not by the end of this week,  
15 early next week.

16 And what I'd like to do is wrap up by having Fred  
17 tell you what the sequence of events are from here on with  
18 respect to the Environmental Impact Statement and the  
19 subsequent decision that the Minerals Management Service and  
20 other agencies need to make on this project. Fred?

21 MR. KING: Okay. Again, as was mentioned, right now  
22 we're collecting comments. The comment period will end on  
23 April the 13th. We will then be in the process of preparing  
24 the Final EIS, which is responding to those comments and, if  
25 necessary, changing any of the analyses or redoing analyses if

1 it's a comment to something we haven't evaluated. The Final  
2 EIS, again, would be out around the end of the year, first part  
3 of next year. Once it's published and notified, there is a 30-  
4 day comment period on that, and then after that 30-day comment  
5 period, I think MMS has 30 more days in which it has to make a  
6 decision.

7 Before that -- and I can't tell you the exact time  
8 frame because the State hasn't told us -- there is also a  
9 consistency process under the Coastal Zone Act where the State  
10 will go through and collect comments, coordinated with the  
11 villages and the Borough, and it provides -- I think that's the  
12 comments on the -- BP provides the State with their coastal  
13 zone.....

14 HEARING OFFICER: Consistency.....

15 MR. KING: .....consistency determination.

16 HEARING OFFICER: .....certification.

17 MR. KING: Yeah, certification. Then that goes out  
18 for public comment through the State. They collect comments,  
19 and the State has to provide us with their determination  
20 whether the project is consistent or inconsistent before MMS  
21 can.....

22 HEARING OFFICER: The State provides that to BP  
23 before we can.....

24 MR. KING: Yeah, before we can approve the project.  
25 That approval can take place somewhere within 60 days -- or

1 can't occur before 30 days and needs to occur within 60 days  
2 after the Final EIS.

3 The other agencies, I think, have a little bit  
4 different time lines for their determination. Again, EPA would  
5 have a decision to make. The Corps will have a decision to  
6 make. And I think the Fish and Wildlife and National Marine  
7 Fisheries would also be involved in the issuance of some  
8 incidental take permits and authorizations. So there are a  
9 number of federal agencies that would be making determinations  
10 after the Final EIS.

11 HEARING OFFICER: And then roughly -- if the  
12 project's approved, the schedule?

13 MR. KING: Okay. Let me just make one other thing.  
14 Somewhere in this process, and I don't know how it fits either,  
15 the North Slope Borough would be involved in a rezoning. And I  
16 don't know, Tom, do you want to talk any about that?

17 MR. LOHMAN: Yeah, just briefly. Again, Tom Lohman  
18 with the Borough.

19 That process begins with the submission of an  
20 application for a rezoning by BP, the applicant, to our  
21 Planning Department. A recommendation is made by our Planning  
22 Department to the Borough Planning Commission, which then makes  
23 a recommendation to the Borough Assembly, which makes the final  
24 decision. And all of those steps are triggered by the  
25 submission of the application.

1 MR. KING: Okay.

2 HEARING OFFICER: And if the project is approved next  
3 winter?

4 MR. KING: Then the earliest there would be  
5 construction would be the following winter. Their plan would  
6 be to construct the gravel island the first year. The  
7 following year they would construct the pipeline. So that's a  
8 little bit different than what there was at Northstar where  
9 they did them both at the same time. After the island has been  
10 constructed, they could start drilling wells, and I think the  
11 first production that would come through the pipeline, if the  
12 project were approved, would be late 2004?

13 MR. FRANKLIN: Four.

14 HEARING OFFICER: Right.

15 MR. FRANKLIN: Right now, the existing schedule is  
16 the first production December 2004 if everything stays as it is  
17 scheduled now.

18 HEARING OFFICER: I want to thank everyone for coming  
19 tonight. I appreciate it. While, Lon, I agree it wasn't a  
20 large turnout, the key people were here, we got some good  
21 testimony, and I appreciate the interaction that we had. And I  
22 hope we answered all the questions. Again, if you have others,  
23 our phone numbers are in the document, I believe. The general  
24 number that you can call if you want information is (907) 271-  
25 6010. That's the general number.

1 (Off record)

2 (Tape Change - Tape No. 2 of 2)

3 (On record)

4 HEARING OFFICER: .....in Barrow for a similar  
5 meeting from 7:00 to 10:00. Last night we were in Nuiqsut.  
6 And again, thank you very much and good evening. Thanks for  
7 coming.

8 MS. ANGASAN: What was the number again, 271 what?

9 HEARING OFFICER: The general number.....

10 MR. KING: 6010.

11 HEARING OFFICER: .....(907) 271-6010.

12 MS. ANGASAN: Okay.

13 HEARING OFFICER: Good. Thank you.

14 MR. AKOOTCHOOK: Tell Barrow greetings. Send our  
15 greetings by you.

16 (Laughter)

17 HEARING OFFICER: Okay. Thank you.

18

19 (Whereupon, the proceedings were adjourned at 9:30 p.m.)

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